



## **FEDERAL RESERVE SYSTEM**

### **Proposed Agency Information Collection Activities; Comment Request**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice, request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the Interagency Notice of Change in Control (FR 2081A; OMB No. 7100-0134), Interagency Notice of Change in Director or Senior Executive Officer (FR 2081B; OMB No. 7100-0134), Interagency Biographical and Financial Report (FR 2081C; OMB No. 7100-0134), and the Interagency Bank Merger Act Application (FR 2070; OMB No. 7100-0171).

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by *7100-0134* or *7100-0171*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for

submitting comments.

- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18<sup>th</sup> and 19<sup>th</sup> Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC, 20551.

## **SUPPLEMENTARY INFORMATION:**

### **Request for comment on information collection proposals**

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Federal Reserve should modify the proposal prior to giving final approval.

**Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following reports:**

*Report title:* Interagency Notice of Change in Control.

*Agency form number:* FR 2081A.

*OMB control number:* 7100-0134.

*Frequency:* On occasion.

*Respondents:* Individual (or a group of individuals or companies that would not be bank holding companies (BHCs) or savings and loan holding companies (SLHCs) after consummation of the proposed transaction) seeking to acquire shares of an insured depository institution, SLHC, or BHC (or group of BHCs or SLHCs).

*Estimated number of respondents:* 156.

*Estimated average hours per response:* 30.5.

*Estimated annual burden hours:* 4,758.

*Report title:* Interagency Notice of Change in Director or Senior Executive Officer.

*Agency form number:* FR 2081B.

*OMB control number:* 7100-0134.

*Frequency:* On occasion.

*Respondents:* An insured depository institution, savings and loan holding company, bank holding company, or the affected individual.

*Estimated number of respondents:* 287.

*Estimated average hours per response:* 2.

*Estimated annual burden hours:* 574.

*Report title:* Interagency Biographical and Financial Report.

*Agency form number:* FR 2081C.

*OMB control number:* 7100-0134.

*Frequency:* On occasion.

*Respondents:* Certain shareholders, directors, and executive officers.

*Estimated number of respondents:* 1,512.

*Estimated average hours per response:* 4.5.

*Estimated annual burden hours:* 6,804.

*Report title:* Interagency Bank Merger Act Application.

*Agency form number:* FR 2070.

*OMB control number:* 7100-0171.

*Frequency:* On occasion.

*Respondents:* State member banks.

*Estimated number of respondents:* Non-affiliate, 54; Affiliate, 10.

*Estimated average hours per response:* Non-affiliate, 31; Affiliate, 19.

*Estimated annual burden hours:* 1,864.

*General description of reports:* The Interagency Notice of Change in Control form is used by an individual (or a group of individuals or companies that would not be bank holding companies (BHCs) or savings and loan holding companies (SLHCs) after consummation of the proposed transaction) seeking to acquire shares of an insured depository institution, SLHC or a BHC (or group of BHCs or SLHCs). The notice is submitted to the appropriate federal regulatory agency of the target organization. The notice includes a description of the proposed transaction, the related purchase price and funding source, and the personal and financial information of the proposed acquirer(s) and any proposed new management.

The Interagency Notice of Change in Director or Senior Executive Officer form is used, under certain circumstances, by an insured depository institution, a BHC, SLHC, or the affected individual to notify one of the agencies of a proposed change in the institution's board of directors or senior executive officers. The notice of proposed change in director or senior executive officer must be filed with the institution's appropriate federal regulatory agency for prior consent if the institution is experiencing certain financial or supervisory difficulties. An insured depository institution, SLHC, or BHC is subject to this prior consent requirement if it is not in compliance with all minimum capital requirements, is in troubled condition or, otherwise, is required by the Board to provide such notice.

The Interagency Biographical and Financial Report is used by certain shareholders, directors, and executive officers, in connection with different types of applications filed with the agencies. Information requested on this reporting form is subject to verification and must be complete. As with all the notices and reporting forms, requests for clarification or supplementation of the original filing may be necessary.

The Interagency Bank Merger Act Application is an event-generated application and is completed by an insured depository institution each time the insured depository institution requests approval to effect a merger, consolidation, assumption of deposit liabilities, other combining transaction with a nonaffiliated party, or a corporate reorganization with an affiliated party. The form collects information on the basic legal and structural aspects of these transactions.

*Proposed revisions:* The Board proposes to implement a number of revisions to the above information collections. The proposed changes are being made in order to: improve the clarity of the requests; reflect new laws, regulations, capital requirements and accounting rules; delete

information requests that are not typically useful for the analysis of the proposal; and add transparency for filers regarding the information that is required to consider a proposal. In determining which changes to propose, the agencies surveyed their regional offices to solicit recommendations for changes to the forms and considered the effects of the changes on community bank organizations, which represent the vast majority of filers. Although the revisions add items to these forms, the Board believes that some of these additions are related to information typically requested on a follow-up basis by the respective regulators. Requesting the information upfront should increase transparency for filers as well as the efficiency of the review process.

The proposed changes for the Interagency Bank Merger Act Application form include additional requested items relating to information that was previously requested as supplemental information subsequent to the filing of the initial application; clarification of certain requested items related to biographical and financial information for principals and Community Reinvestment Act-related information; deletion of the request for cash flow projections for the parent company; updated requests to account for changed capital requirements and outdated accounting rules; and other minor changes for improved grammar, comprehension, accurate citations and mailing addresses.

The current annual reporting burden for the Interagency Bank Merger Act Application form is estimated to be 1,800 hours. The proposed revisions are expected to increase the estimated average hours per response by one hour for a total burden of 1,864 hours.

The proposed changes for the Interagency Notice of Change in Control form, Interagency Notice of Change in Director or Senior Executive Officer form, and the Interagency Biographical and Financial Report include additional requested items relating to information that generally

was previously requested as supplemental information subsequent to the filing of the initial application; clarification of exact requirements of certain requests; deletion of certain requested items that the agencies no longer believe are helpful in evaluating the notice; and other minor changes for improved grammar, comprehension, and accurate citations and mailing addresses. The current annual reporting burden for these forms is estimated to be 11,302 hours. The proposed revisions are expected to increase the estimated average hours per response for the Interagency Notice of Change in Control form and the Interagency Biographical and Financial Report by one half hour. No increase in estimated average hours per response is anticipated for the Interagency Notice of Change in Director or Senior Executive Officer form. The total proposed burden for these forms collections is 12,136 hours. The proposed reporting would be effective January 1, 2018.

*Legal authorization and confidentiality:* Section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)) authorizes the Board to require the information under the FR 2081a and FR 2081c. Section 914 of the Financial Institutions Reform, Recovery, and Enforcement Act (12 U.S.C. 1831(i)) authorizes the Board to require the information under the FR 2081b and FR 2081c.

The Federal Reserve treats the notices and reporting form as public documents. The organizations and individuals that submit the forms may request that all or a portion of the submitted information be kept confidential. In such cases, the filer must justify the exemption by demonstrating that disclosure would cause substantial competitive harm, result in an unwarranted invasion of personal privacy, or would otherwise qualify for an exemption under the Freedom of Information Act (5 U.S.C. 552). The confidentiality status of the information submitted will be judged on a case-by-case basis.



Because information is being collected from individuals, the Federal Reserve is required to make certain disclosures to the notificant under the Privacy Act (5 U.S.C. 552a(e)(3)). The disclosures made by the Federal Reserve on the current and proposed FR 2081 meet the requirements of the Privacy Act.

The Bank Merger Act requires, in relevant part, that a state member bank, when it is the acquiring, assuming or resulting bank, obtain prior approval from the Board before merging or consolidating with another insured depository institution, or before acquiring the assets of or assuming liability to deposits made in any other insured depository institution. (12 U.S.C. 1828(c)). The Federal Reserve treats the Interagency Bank Merger Act Application as a public document. However, applicants may request that parts of their applications be kept confidential. In such cases, the filer must justify the exemption by demonstrating that disclosure would cause “substantial competitive harm,” would result in “an unwarranted invasion of personal privacy,” or would otherwise qualify for an exemption under the Freedom of Information Act (5 U.S.C. 552). The confidentiality status of the information submitted will be judged on a case-by-case basis.

*Consultation outside the agency:* The interagency working group responsible for these reports is comprised of representatives from the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve System, who collaborated to recommend the proposed revisions.

Board of Governors of the Federal Reserve System, September 26, 2017.

**Ann E. Misback,**

*Secretary of the Board.*

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